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DEPARTMENT OF LABOR

Bureau of Labor Statistics

Notice of Availability of Producer Price Index (PPI)

Data Users Survey

AGENCY: Bureau of Labor Statistics, Labor.

ACTION: Notice of availability of survey.

SUMMARY: The Bureau of Labor Statistics (BLS) will conduct a survey via the internet of Producer Price Index (PPI) data users. The survey is necessary to: identify PPI data users, see how they use our data, and note areas of potential improvement to better meet our customer's needs. BLS last conducted a survey of PPI data users in late 1976 through early 1977. Since that time, numerous new time series data have been introduced with the goal of fulfilling the needs of data users. This survey will help us determine if we are meeting those goals, highlight areas for improvement to existing data series, and identify areas for future expansion.

DATES: The Producer Price Index (PPI) user survey will be accessible until April 30, 2013.

ADDRESSES: Send comments to Joseph Kelley, Producer Price Index, Bureau of Labor Statistics, Room 3840, 2 Massachusetts

Avenue, NE., Washington, DC 20212 or by email to:

kelley.joseph@bls.gov.

FOR FURTHER INFORMATION CONTACT: Joseph Kelley, Producer Price Index, Bureau of Labor Statistics, telephone number 202-691-7722 (this is not a toll-free number), or by email to:

kelley.joseph@bls.gov.

SUPPLEMENTARY INFORMATION: The survey can be accessed at the following link:

<https://www.research.net/s/PPIUserSurveyFederalRegister> or by going to the PPI homepage <http://www.bls.gov/ppi/> and using the link under 'Announcements'.

I. Background. The Producer Price Index (PPI), one of the Nation's leading economic indicators, is used as a measure of price movements, as an indicator of inflationary trends, for inventory valuation, and as a measure of purchasing power of the dollar at the primary-market level. It also is used for market and economic research and as a basis for escalation in long-term contracts and purchase agreements.

Producer Price Index data provide a description of the magnitude and composition of price change within the economy, and serve a wide range of governmental needs. This family of indexes are closely followed, monthly statistics that are viewed as

sensitive indicators of the economic environment. Price data are vital in helping both the President and Congress set fiscal-spending targets. Producer prices are monitored by the Federal Reserve Board Open Market Committee to help decide monetary policy. Federal policy-makers at the Department of Treasury and the Council of Economic Advisors utilize these statistics to help form and evaluate monetary and fiscal measures and to help interpret the general business environment. In addition, it is common to find one or more PPIs, alone or in combination with other measures, used to escalate the delivered price of goods for government purchases.

In addition to governmental uses, PPI data are regularly put to use by the private sector. Private industry uses PPI data for contract escalation. For one particular method of tax-related Last-In-First-Out (LIFO) inventory accounting, the Internal Revenue Service suggests that firms use PPI data for making calculations. Private businesses make extensive use of industrial-price data for planning and operations. Price trends are used to assess the condition of markets. Firms commonly compare the prices they pay for material inputs as well as prices they receive for products that they make and sell with changes in similar PPIs.

Economic researchers and forecasters also put the PPI to regular use. PPIs are widely used to probe and measure the interaction of market forces. Some examples of research topics that require extensive price data include: the identification of varying price elasticities and the degree of cost pass-through in the economy, the identification of potential lead and lag structures among price changes, and the identification of prices which exert major impacts throughout market structures.

Signed at Washington, D.C. this 20th day of December 2012.

Eric P. Molina

Acting Chief, Division of Management Systems
Bureau of Labor Statistics

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